



Billing Code: 3510-DS-P

**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[C-570-936]**

**Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China:**

**Final Results of the Expedited Second Sunset Review of the Countervailing Duty Order**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) finds that revocation of the countervailing duty (CVD) order on circular welded carbon quality steel line pipe (welded line pipe) from the People's Republic of China (China) would be likely to lead to continuation or recurrence of a countervailable subsidy at the levels indicated in the "Final Results of Sunset Review" section of this notice, *infra*.

**DATES:** Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**FOR FURTHER INFORMATION CONTACT:** Kristen Johnson, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793.

**SUPPLEMENTARY INFORMATION:**

Background

On January 23, 2009, Commerce published in the *Federal Register* the CVD order on welded line pipe from China.<sup>1</sup> On June 9, 2016, Commerce implemented its revised countervailable subsidy rates pursuant to the findings in the section 129 proceeding of the Uruguay Round Agreements Act.<sup>2</sup> On April 1, 2019, Commerce published the notice of initiation of this sunset review of the *Order*, pursuant to section 751(c) of the Tariff Act of 1930, as amended (the Act).<sup>3</sup> On April 17, 2019, Commerce received a notice of intent to participate from California Steel Industries, Inc., TMK IPSCO, Welspun Tubular LLC, and Zekelman Industries (collectively, the domestic interested parties).<sup>4</sup> The domestic interested parties claimed interested party status under section 771(9)(C) of the Act as manufacturers in the United States of the domestic like product.<sup>5</sup>

On April 30, 2019, pursuant to 19 CFR 351.218(d)(3)(i), the domestic interested parties filed a timely and adequate substantive response.<sup>6</sup> Commerce did not receive a substantive response from the Government of China or a respondent interested party to this proceeding. On May 23, 2019, Commerce notified the U.S. International Trade Commission (ITC) that it did not receive an adequate substantive response from respondent interested parties.<sup>7</sup> As a result,

---

<sup>1</sup> See *Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China: Notice of Amended Final Affirmative Countervailing Duty Determination and Notice of Countervailing Duty Order*, 74 FR 4136 (January 23, 2009) (*Order*).

<sup>2</sup> See *Implementation of Determinations Pursuant to Section 129 of the Uruguay Round Agreements Act*, 81 FR 37180 (June 9, 2016); see also Memorandum, “Section 129 Proceeding: United States – Countervailing Duty Measures on Certain Products from the People's Republic of China (WTO/DS 437): Final Determination for Pressure Pipe, Line Pipe, OCTG, Wire Strand, and Solar Panels,” dated May 19, 2016.

<sup>3</sup> See *Initiation of Five-Year (Sunset) Reviews*, 84 FR 12227 (April 1, 2019).

<sup>4</sup> See Domestic Interested Parties’ Letter, “Notice of Intent to Participate in Second Five-Year Review of the Antidumping and Countervailing Duty Orders on Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China – Request for Extension of Deadline and Acceptance of Submission,” dated April 17, 2019 (Notice to Participate); see also Commerce’s Letter, “Acceptance of Notice of Intent to Participate,” dated April 18, 2019.

<sup>5</sup> See Notice to Participate at 2.

<sup>6</sup> See Domestic Interested Parties’ Letter, “Second Five-Year Review of the Countervailing Duty Order on Circular Welded Carbon Quality Steel Line Pipe from the People’s Republic of China: Substantive Response to Notice of Initiation,” dated April 30, 2019.

<sup>7</sup> See Commerce’s Letter, “Sunset Review Initiated on April 1, 2019,” dated May 23, 2019.

pursuant to section 751(c)(3)(B) of the Act and 19 CFR 351.218(e)(1)(ii)(C)(2), Commerce conducted an expedited (120-day) sunset review of the *Order*.

#### Scope of the *Order*

The merchandise covered by this order is circular welded carbon quality steel pipe of a kind used for oil and gas pipelines (welded line pipe) not more than 406.4 mm (16 inches) in outside diameter, regardless of wall thickness, length, surface finish, end finish or stenciling.

The welded line pipe products that are the subject of this order are currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7306.19.10.10, 7306.19.10.50, 7306.19.51.10, and 7306.19.51.50. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.<sup>8</sup>

#### Analysis of Comments Received

A complete discussion of all issues raised in this sunset review, including the likelihood of continuation or recurrence of a countervailable subsidy and the net countervailable subsidy rates likely to prevail if the *Order* were to be revoked, is provided in the accompanying Issues and Decision Memorandum. A list of the topics discussed in the Issues and Decision Memorandum is attached as an Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues

---

<sup>8</sup> For a complete description of the scope of the *Order*, see Memorandum, "Issues and Decision Memorandum for the Final Results of the Expedited Second Sunset Review of Circular Welded Carbon Quality Steel Line Pipe from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

and Decision Memorandum can be accessed at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

#### Final Results of Sunset Review

Pursuant to sections 751(c)(1) and 752(b) of the Act, Commerce determines that revocation of the *Order* would be likely to lead to continuation or recurrence of a net countervailable subsidy at the following rates:<sup>9</sup>

<b>Producers/Exporters</b>	<b>Net Countervailable Subsidy <i>Ad Valorem</i> Rate</b>
Huludao Seven-Star Steel Pipe Group Co., Ltd., Huludao Steel Pipe Industrial Co., Ltd., and Huludao Bohai Oil Pipe Industrial Co., Ltd. (collectively, the Huludao Companies)	32.65 percent
Liaoning Northern Steel Pipe Co., Ltd.	40.05 percent
All Others	36.35 percent

#### Administrative Protective Order

This notice serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the return or destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely notification of the return or destruction of APO materials, or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is violation which is subject to sanction.

---

<sup>9</sup> *Id.*

Notification to Interested Parties

We are issuing and publishing the results and notice in accordance with sections 751(c), 752(b), and 777(i)(1) of the Act and 19 CFR 351.218 and 19 CFR 351.221(c)(5)(ii).

Dated: July 30, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

## **Appendix**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. History of the Order
- V. Legal Framework
- VI. Discussion of the Issues
  - A. Likelihood of Continuation or Recurrence of a Countervailable Subsidy
  - B. Net Countervailable Subsidy Rates Likely to Prevail
  - C. Nature of the Subsidy
- VII. Final Results of Sunset Review
- VIII. Recommendation

[FR Doc. 2019-16754 Filed: 8/5/2019 8:45 am; Publication Date: 8/6/2019]